

ENVIRONMENTAL

NO. 64814-E

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JAN 27 1999

Returned to applicant for correction _____

Corrected application filed _____

Map filed JAN 27 1999

The applicant **Battle Mountain Gold Company**, hereby make 1 application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **Iron Canyon Surface Water**
2. The amount of water applied for is **1.5** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Environmental Surface Water Clean-up**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks") **See (d) (2)**
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream **NW¼ NE¼ Section 24, T31N, R43E MDM at a point from which the NE Corner Section 24, T31N, R43E MDM bears a N61°53'43"E a distance of 2,097.80**
5. The water is to be diverted from its source at the following point **SW¼ NW¼ Section 23, T31N, R43E MDM or at a point from which the NE corner of Section 24, T31N, R43E MDM bears N79° 53' 30"E, a distance of 9,640.53 feet.**
6. Place of Use **N¼ NE¼ Section 24 T31N, R43E, MDM**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Concrete collection structures, buried and surface pipelines, 4.6 million gallon surge pond and treatment works**
9. Estimated cost of works **\$500,000**
10. Estimated time required to construct works **1 Year**
11. Estimated time required to complete the application of water to beneficial use **3 years**

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12. Remarks: This application is for collecting low quality surface water that has contacted historic waste rock facilities. Water is collected in engineered structures and pipeline that is gravity fed to a surge pond and water treatment facility. After the water is treated, it is discharged to the Galena Canyon channel, land applied and/or used for irrigation. This surface water management project is part of an ongoing closure program in cooperation with the NDEP (Bureaus of Mining Regulation and Reclamation and Water Pollution Control) and the BLM. See attached NDEP temporary permit.

Chuck Zimmerman, Brown and Caldwell
By s/Chuck Zimmerman
3488 Goni Rd. Suite 142
Carson City, NV 89706

Compared dl/cms dl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This environmental permit is issued pursuant to the provisions of NRS 533.4375 and is further issued subject to existing rights on the source.

It is understood that the amount of water herein granted is only a temporary allowance for pollution control as required by orders or letters issued by the Nevada Division of Environmental Protection. The right will cease upon the termination of clean up activity as determined by the Nevada Division of Water Resources.

A suitable measuring device will be installed to measure the flow from the Butte Canyon and Iron Canyon drainage before it enters the treatment plant facility. The measuring device will be maintained to allow monthly measurement of the flow. Records of the measurement will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

Within 30 days after the completion of the project, the permittee shall notify the State Engineer, and all diversionary structures shall be removed.

The state retains the right to regulate the use of water granted herein at any and at all times.

This environmental permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this environmental permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.5 cubic feet per second, but not to exceed 1,086.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

Proof of completion of work shall be filed before:

Application of water to beneficial use shall be filed on or before:

Proof of the application of water to beneficial use shall be filed on or before:

Map in support of proof of beneficial use shall be filed on or before:

* The right will cease to exist upon termination of clean up activity as determined by the Nevada Division of Environmental Protection.

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,
this 1st day of March, A.D. 1999

State Engineer

Completion of work filed _____

Proof of beneficial use filed

Cultural map filed _____

Certificate No. Issued